

MENTAL HEALTH AND DISABILITY SERVICES COMMISSION  
March 15, 2012, 9:30 am to 3:00 pm  
Altoona Public Library  
700 8th Street S.W., Altoona, IA  
MEETING MINUTES

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MHDS COMMISSION MEMBERS PRESENT:

Neil Broderick	Cindy Kaestner
Lynn Crannell	Gary Lippe
Lynn Grobe	Laurel Phipps
Jan Heikes	Susan Koch-Seehase
Richard Heitmann	Dale Todd
Chris Hoffman	Jack Willey
David Hudson	Craig Wood

MHDS COMMISSION MEMBERS ABSENT:

Senator Merlin Bartz	Representative Lisa Heddens
Richard Crouch	Linda Langston
Senator Jack Hatch	Zvia McCormick
Representative Dave Heaton	Gano Whetstone

OTHER ATTENDEES:

Marilyn Althoff	Hills & Dales
Theresa Armstrong	DHS, MHDS, Community Services & Planning
Bob Bacon	U of Iowa, Center for Disabilities & Development
Rhonda Bennett	Iowa Department of Inspections and Appeals
Teresa Bomhoff	Iowa Mental Health Planning & Advisory Council
Emily Brandt	U of Iowa, Center for Disabilities & Development
Diane Diamond	DHS, Targeted Case Management
Connie Fanselow	DHS, MHDS, Community Services & Planning
Liz O'Hara	U of Iowa, Center for Disabilities & Development
Eric Preuss	Iowa Department of Public Health
Ann Riley	U of Iowa, Center for Disabilities & Development
Jim Rixner	Siouxland Mental Health Center
Joe Sample	Iowa Department on Aging
Deb Schildroth	Story County Community Services
Rick Shults	Administrator, DHS Division of MHDS
Karla Webb	Story County Community Services

## WELCOME AND CALL TO ORDER

Chair Jack Willey called the meeting to order at 9:40 a.m. Quorum was established. Jack led introductions of Commission members and guests. No conflicts of interest were declared for this meeting.

## APPROVAL OF MINUTES

Lynn Grobe made a motion to approve the minutes of the February 16, 2012 meeting as presented. Richard Heitmann seconded the motion. The motion passed unanimously. Neil Broderick and David Hudson joined the meeting after the vote.

## COMMISSION MEMBERSHIP

Connie Fanselow announced that four members will be leaving the Commission when their current terms end April 30. Jan Heikes and Cindy Kaestner have each served two full terms. Linda Langston and Craig Wood have each served one term. Neil Broderick has been appointed to serve a second term on the Commission. Four new members have also been appointed to the Commission by the Governor and will start their terms May 1:

- Jill Davisson, Clinton County Board of Supervisors
- Deb Schildroth, Story County Community Services Director/CPC
- Patrick Schmitz, Executive Director of Plains Area Mental Health
- Suzanne Watson, Pottawattamie County Community Services Director/CPC

## MHDS UPDATE

Theresa Armstrong presented an update on MHDS activities:

Employment – Employment is important for people to be successful living in the community and it is an important aspect of Redesign. MHDS and IME (Iowa Medicaid Enterprise) are working with people from Iowa Workforce Development (IWD) and Iowa Vocational Rehabilitation Services (IVRS) on how to provide intense services that will lead to lasting jobs in the community. The services will be aimed at job coaching and finding and keeping employment in the community. Vocational Rehabilitation is committed to finding more State money so they can access available federal dollars. They hope to partner with counties who are using their county dollars for those purposes.

The issues are bigger than just Iowa and sometimes involve how and when federal funding streams can be used. The group has looked at what other states have done to address those issues and IVRS has applied for a grant. The focus was on making the grant application a collaborative effort. They should find out if they will receive the funding today. They intend to start talking to businesses that employ people with disabilities and see how they can share their successes with other business owners.

The state agency partners will continue to collaborate and providers and consumers will also be involved.

The State Employment Leadership Network (SELN), which is associated with NASDDDS (National Association of State Directors of Development Disabilities Services), will be coming back to Iowa to work with us. IVRS, DHS, providers, and county CPCs (Central Point of Coordination) will be involved to discuss what outcomes we should work toward and how rates can be restructured to incent the outcomes that are identified as desirable.

Systems of Care – Efforts are continuing to bring children back from out of state placements and there is also working being done on bringing adults in out of state placements back to Iowa, but it is still early in the process. Different parts of DHS are responsible for the exceptions to policy that are being used, so everyone involved needs to come together to work on it. That includes identifying and agreeing on what we want to see in a discharge plan. Authorizations for out of state placements need to be reviewed every year, and as more providers are stepping up and expressing willingness to serve people with more challenges, we need to look carefully at that. Many adults currently placed out of state do not have anyone here in Iowa working to get them back here, so that needs to be built into the system. There are some very high level medical services that we may still need to access out of state.

Susan Seehase commented that her agency has brought some people with very high behavioral and medical needs back to Iowa and the most difficult issue hasn't been finding staff to work with them, but finding a physician to work with them. Providers who have been working with neuro restorative programs report the same thing; doctors are needed who will do house calls.

Veterans - Theresa noted that last December IDPH (Iowa Department of Public Health) started leading an effort in working with veterans on behavioral health needs. SAMHSA (Substance Abuse and Mental Health Services Administration) has offered technical assistance to states. Iowa has put a plan together with IDPH in the lead; also involved are representatives of DHS, Iowa Workforce Development, Veteran's Affairs, Iowa Association of Community Providers (IACP), the community mental health centers (CMHCs), and the Iowa National Guard. SAMHSA was back in Iowa this month providing technical assistance to the group. They identified that they really need help with interpreting data so they can pinpoint exactly where people are living and analyze service gaps. All the partners are committed to the project and IDPH is working to get a staff person identified who can be devoted full time to this collaborative effort of providing behavioral health services to veterans in our state and their families.

Laurel Phipps asked if they were working with the Veteran's Administration (VA) or the private sector. Theresa responded that there is more work to be done in making those connections. Cindy Kaestner commented that people who qualify for VA benefits have to go there for services because other providers cannot get paid by the VA for serving them.

Teresa Bomhoff commented that two task force groups, both led by SPPG (State Public Policy Group), that have talked about these issues and issued reports. She recommended looking at those reports and suggested approaching the VA about creating a waiver system so veterans could obtain a waiver from the VA to go to another provider. Theresa Armstrong noted that Veteran's Affairs now has a contract to continue their work with SPPG.

Laurel Phipps commented that the VA recognized about four years ago that they were falling behind on treating veterans for PTSD (Post Traumatic Stress Disorder) and the backlog seems to be increasing. Theresa said another goal of the group is to talk about cultural issues and learn more about military culture and how that affects treatment and decisions about when and where to seek assistance.

## DISCUSSION

David Hudson noted he had seen advertisements from the Iowa Hospital Association about Medicaid funding being decreased and asked if anyone could explain their concern. Cindy Kaestner said that one of the proposed budgets contained an 8% reduction in provider rates which would affect hospitals and providers. Chris Hoffman noted that providers have not gotten any rate increase in some time and that substance abuse service providers got a 5% reduction several years ago and have not gotten increases since. He said businesses cannot run indefinitely without rate increases.

Gary Lippe commented that the Community Circle of Care uses a model that comes from Massachusetts of providing technical assistance to general practice physicians. The idea is to provide them immediate access to a psychiatrist when they are treating a child with behavioral issues; having that kind of access to assistance increases their comfort level in accepting patients they might not otherwise feel prepared to handle.

Jim Rixner commented that this may be the last Commission meeting before the budget is decided. He said he is very concerned because Woodbury County will be losing a million dollars and he wanted to make sure the Commission was aware of the situation. Allowable growth, community services money, and property tax relief are all set to end on July 1. He said he appreciates all the work that has gone into Redesign and thinks it will make a difference long term, but Woodbury County is facing the loss of its jail diversion program, mental health court, school-based therapy, peer socialization program and \$155,000 in medication purchasing – totaling \$1 million from the operating budget - when the new fiscal year begins July 1.

If 88% of the Medicaid match will no longer have to be paid by the counties, it will be a restoration of \$3 million dollars a year to the county, even so, the county's \$12 million budget face a loss of \$3 million dollars. One million will come from the programs I listed and the other two million will probably come from direct services or other cuts.

Jim said it will be devastating to the people receiving services. The legislature may adjourn in a few weeks without restoring the funding. Jim said that with all the good

intentions of the redesign efforts, some counties may be stuck in a budgetary hole. He said that a disaster is coming July 1; Woodbury County will be laying people off and he doesn't think people understand the scope of the loss. He said this is a funding issue that is separate from Redesign and critical to the integrity of services in the coming months.

Richard Heitmann commented that he thinks it is important to present the face of the consumer and encouraged finding consumers who can express what these losses will mean to them personally and take their stories to legislators.

Craig Wood commented that this is what happened in Linn County this year. The Commission recommended a \$60 million infusion to maintain existing levels of services, and pointed out that the Governor's budget added \$30 million. He expressed concern that redesign will be difficult if the services that are available now do not continue to be supported.

Teresa Bomhoff commented that multiple funding messages have gotten condensed in to one:

1. The State taking over payment of Medicaid match
2. SFY (State Fiscal Year) 2013 funding to prevent system collapse and retain current level of services
3. Funding for Redesign
4. Reinstatement of a mental health county levy

Craig Wood said that if the county allocations are retained by the State to pay the Medicaid match, counties will be left with \$125 million to pay for what is now \$156 million in non-Medicaid services they are currently providing. That will leave them \$39 million short in SFY 2013. At least \$65 million is needed to prevent collapse of existing services, so Redesign can go forward. Teresa Bomhoff said that she has had conversations with Senator Hatch who has told her that he still intends to get a \$65 million appropriation and he believe the repeal of the county tax levy will be reserved. He also reported to her that revenue projections continue to go up and there is currently \$700 million or more in the Rainy Day Fund.

Neil Broderick said he attended an Orchard Place legislative breakfast at the Capitol yesterday; about 25 legislators dropped by and they left the impression that they are making some progress on the county funding situation. There is a lot of controversy about the number of regions and how they are going to be made up, but there does seemed to be a unanimous feeling that 2013 funding will have to be addressed.

David Hudson suggested that the Commission might take a public position by writing a guest editorial to the seven leading papers in the state, possibly with similar information to the letter that was recently sent to the Governor. It could be used to follow up with legislators to create more awareness and interest.

Jan Heikes commented Jim Rixner gave an important example of what is happening in his county, but some of the things that are good for his county are going to be bad for some of the rural counties. There is an inequity in the system that was started fifteen years ago with the disparity in tax levy rates and has gone uncorrected. The solution needs to be something that corrects the existing inequities and addresses both rural and urban areas by bringing up services in the counties that have not been able to develop them without destroying services that other counties have in place. There needs to be some thought given to transition so that people who are now receiving services are not hurt by cuts and other areas are able to build and improve services. There is currently some discussion of equalizing tax rates with the State providing money where rates are low to prevent property tax increases. We have inequities that need to be addressed, but there may not be one magic bullet for all 99 counties.

Jim Rixner said he recently received a call from a parent from about 100 miles away in Osceola County seeking services for her son. She told him that Osceola County couldn't see him because they were out of money and she was willing to travel to Sioux City and pay full fee to get him the services of a psychiatrist and therapist. They were able to see him, but Jim pointed out that after July 1, that might not be the case. He said there should be equity across the state, and he does not believe the present system is as bad as it has been presented, but he expects it to get worse July 1. Dale Todd noted that even though there is money remaining in the Risk Pool Fund, there will not be any additional funds distributed this year.

David Hudson made a motion that the Commission draft a letter to the editor outlining the issue for submission to the seven largest papers in Iowa. The motion was seconded by Craig Wood. The motion passed unanimously. Jack Willey will work on drafting a letter with a focus on looking out for consumers who depend on current services. Jack will consult with MHDS staff on presenting the issue in a constructive way.

Theresa Armstrong and Rick Shults continued the MHDS update:

Redesign Legislation – The House Human Resource Committee has passed Senate File 2315, the Senate Redesign bill to the House Appropriations Committee with no amendments. It was noted that it may be attached to the appropriations bill to ensure that it will survive.

The terminology bill changing MR (Mental Retardation) to Intellectual Disability (ID) throughout Iowa Code has passed the House and Senate. It will be sent to the Governor for signature soon.

The judicial bill dealing with mental health commitment has passed the Senate and is waiting with the House.

Senate File 525 Workgroups:

Data Workgroup – Members have been appointed to the Data Workgroup and it is scheduled to start meeting on March 30. This is a collaborative effort between DHS, IDPH, and ISAC (Iowa State Association of Counties) and the workgroup membership has been expanded to also include providers and consumers. They will be looking at what kind of data the regions will need to feedback to DHS and how the Department can make it available to the public. Eric Preuss commented that the workgroup will be looking at differences in what current systems are doing now. There is overlap among populations so it will be important to look at how duplication can be prevented and similar data for all populations can be gathered.

BIPP (Balancing Incentives Payment Program) – BIPP is a federal CMS (Centers for Medicare and Medicaid) opportunity for states to apply for funding to balance out their institutional costs with their home and community based services costs. CDD (Center for Disabilities and Development) has been working with MHDS and IME to prepare Iowa's application. Right now Iowa is spending about 56% on institutional services and 44% on community based services and has been moving in the direction of more community based spending. The goal of BIPP is for states to spend as much or more on home and community-based services than they do on institutional or facility-based services.

DHS intends to have Iowa's application in by April because the Governor's Budget for FY 2013 includes cost savings of \$11 million from BIPP. The cost savings would come from a 2% increase in FMAP (the Federal Medical Assistance Percentage), which means the federal government would pay 2% of the cost of Medicaid for the program. The increase would potentially be from September 2011 to September 2015. New Hampshire is the first state to get approved for BIPP and MHDS now has a copy of their application as an example.

The Department is gathering letters of support for the BIPP application and would like one from the Commission. Chris Hoffman made a motion for the Commission to write a letter of support for Iowa's application for the Balancing Incentive Payment Program. Susan Koch-Seechase seconded the motion. The motion passed unanimously. Liz O'Hara will share the application information and provide a sample letter.

ID Terminology - Ronda Bennett commented that DIA has started replacing "MR" with "ID" in response to the new legislation. She wanted to clarify that federal regulations still refer to ICFs/MR and the term MR will still be used in a few places to conform with federal regulations until those regulations are also updated; licenses will start being issued as "ICF/MR(ID)." She also noted that DIA has been dealing with many different agencies around the country who have expressed interest in being creating some type of licensed facility in Iowa because they have heard about the redesign work that is being done.

Theresa Armstrong noted that the current Senate bill specifies that DIA, DHS, and IDPH will be working on updating regulatory requirements around redesign. It also allows about six months longer for regions to form and calls for them to be ready to go by June 30, 2015.

Dale Todd commented that his wife is a nurse and has told him that several people she works in a care center with have recently reported losing services provided by the Elderly Waiver. It appears that approved hours of some services may be reduced for people in 24-hour care facilities because they had been receiving them at a level intended for people who were not in 24-hour care facilities.

## PLANNING FOR MAY MEETING

The Commission discussed possible agenda items for their May meeting:

- Half-day joint meeting with the Mental Health Planning Council
- Veterans and military family issues
- Autism
- Summary of legislation affecting people with disabilities
- Summary of Redesign legislation
- Brain injury
- Role of Commission, legislative revisions, and attention to overall policy issues
- New member orientation
- Small group discussions
- Look at statutory responsibilities and how to meet them
- How to use Commission expertise in implementing Redesign
- Health homes

## PUBLIC COMMENT

Bob Bacon commented that national health care reform has significant implications on the budget. If there are not yet projections developed, that would seem to be a very strategic thing to do. Craig Wood said his impression is that it would cover people that counties now serve for inpatient and outpatient mental health services, which should result in about \$20 million savings; he said he doesn't know that it will cover vocational services, supported community living, or other types of community-based services. Cindy Kaestner noted that the list of services for the newly eligible Medicaid population may be different from the services currently available to Medicaid members. Theresa Armstrong agreed, saying we don't yet know what those lists of services will be for the Iowa Medicaid program.

Craig Wood commented that any savings from health care reform will not solve the funding problems for SFY 2013 and at least part of SFY 2014. Bob Bacon said that with the knowledge that savings are coming in 2014, he would hope that lawmakers might be inspired to use money from the Rainy Day Fund now to preserve the system until that time.



Eric Preuss commented that there are valuable discussions to have about data systems and data integration in light of what is coming with health care reform and how organizations are going to communicate with each other. He said behavior health has been left behind in that whole discussion at the federal level and it will be important to determine who the medical health care system, the behavioral health care system, the mental health care system, and the substance abuse services systems are all going to talk so that we have an efficient system.

Cindy Kaestner agreed, saying community mental health centers are required to have the electronic health records (EHR) system but are not eligible for the incentive money to help pay for it. Eric said the capability of our substance abuse provider network is for electronic health records needs to be determined if they are going to be viable with EHR. Chris Hoffman noted that Pathways and other larger providers have EHR systems in place, but it's going to be much more difficult for smaller providers. Jim Rixner commented that in addition to information exchange, services integration is also important and work needs to be done on combining mental health, physical health, and substance abuse programs.

Chris said he was also concerned that one of the redesign bills called for implementation of a new functional assessment process starting July 1 and that just was not a reasonable timeline. Theresa Armstrong responded that the date has been changed in the current draft to sometime in fiscal year 2013.

Deb Schildroth said she is glad to be joining the Commission in May and to know that the Commission will be looking more closely at its role. She said she would also like to hear about how health homes are working out and suggested someone from Magellan or a pilot area might be invited to report on that.

A break for lunch was taken at 11:50 a.m.

The meeting resumed at 1:10 p.m.

## COMMISSION DUTIES AND RESPONSIBILITIES

Rick Shults outlined some of the proposed changes to the role of the Commission contained in pending legislation. He thanked everyone for their hard work and all they have done, especially those members who will be leaving the Commission next month. He said this will be a period of transition for the Commission and he looks forward to continuing to work with those members who are staying on and welcoming some new members.

Senate File 2315 has passed the Senate and gone on to the House for consideration. This is a good time to look at how the work of the Commission has been recognized in the legislation and touch on some of the items contained in the Senate bill with that understanding that may still change as the legislation completes the approval process.

It is expected that the bill will go to conference committee and funding still needs to be determined.

The Commission was envisioned and operates to approve policy and rulemaking, while the Department does the administrative work. Sorting out how particular tasks fit those roles can be an issue. He said he was focusing on the verbs – identifying where it says the Commission will “recommend,” “consult,” or “adopt.” The Department will have tasks to do in the area of developing rules and recommendations for the Commission to review and act on.

Receiving information – The Department provides information to the Commission on trends in the services system, with a focus around outcomes and performance measures for people, including independent living, integrated living, employment, and utilization of the most restrictive services.

Adopting rules – Adopt rules relating to disability programs and services, including requirements for the development of regional management plans and plan format, and reporting expenditures.

Approving annual plan updates – Making recommendation to the Director regarding the approval of regional system management plans.

Adopting rules – Adopt rules specifying provisions for the Director’s approval of management plans, plan amendments, and other requirements for regions.

Adopt standards – Based on recommendations made by the administrator, identify basic financial eligibility standards for the disability services provided by an MHDS region, including resource limits.

Consult on functional assessment tools – The Department will adopt functional assessment tools, in consultation with the Commission. There are a number of things to be considered, including identifying a single tool that addresses the issues of the BIPP and making consistent decisions about what services people are to receive.

Adopting rules - If there are additional definitions needed for core services or more core service items that would be one of the rulemaking functions of the Commission.

Making recommendations – Making recommendations to the Director regarding service plan management and how to address increases for the cost of providing services in the budgetary planning process. That ties back to the concept of the Commission recommending allowable growth. The cost of services and the increase in cost of services is driven by three things: number of people served (addressing waiting lists), expanding service eligibility for more people, and the amount of services provided to individuals. Cost is also impacted by inflation and cost increases. We have also talked about core services and other services to be provided when additional funding is

available. Some aspects are legislative policy decisions, such as expanding ID services to a broader DD (Developmental Disability) population.

Revising data collection – The Commission would consider elimination or revision of data collection; working with the Department to focus on things that are needed and useful and getting rid of requirements to collect information that is not needed or used.

Approving departure from standards – The Commission would approve any substantial departure from Joint Commission accreditation standards that the Division recommends based on sound reasons. That could touch on a role in exceptions to policy.

Consulting on Director's waiver – Commission would consult with the Director on the granting of waivers from the minimum number of counties. We establish policies with the intention that they will be workable and sometimes discover in implementation that they don't work in all cases. Rick noted that 200,000 to 700,000 population sounds reasonable and it is based on sound insurance principles, but if some of the 200,000 areas get too large, there might be a case where an exception is needed.

Rick said the role of the Commission is being endorsed by the legislation from the perspective of policy making, rulemaking, and consultation with the Department. The Commission is recognized as the rulemaking body for MHDS and the Department has a responsibility to provide sound and sufficient information to the Commission to form the basis for those decisions. He said he would envision that the Division would come to the Commission with individual packages on rulemaking and have an open discussion on approval or any recommended changes and come to a decision. He would expect the Commission will provide oversight and input on what DHS is doing.

Craig Wood commented that the Commission's statutory duties currently include evaluating the system and making recommendations on how it should be changed, so he has been disappointed that the legislature did not come to the Commission to lead the redesign process.

Rick noted that the legislation moves the budget recommendations earlier in the year to get them to the right place in the Department's budgeting process by moving them from November to July. In some ways the recommendations also come too early because we are working two year out, which is ahead of what the Governor is recommending.

Gary Lippe said that he sees the Commission working with and through the Department to influence policy as well as trying to influence the Governor and the legislature. The Commission has the opportunity to work closely with the Department. Rick noted that the Commission and the Department should complement each other without taking away from the role of the other. Getting Commission recommendations into the DHS budget as part of the regular budget process is one way to work more effectively together.

Rick said that once we the new members join in May and there is a final redesign bill we can work together to lay out an agenda of what things the Commission needs to accomplish and what responsibilities DHS has to bring things to the Commission for consideration. Policy development and the rulemaking process should be built into every meeting. Rick added that the direction redesign has taken is increased consistency and accountability which gives the Commission a great opportunity to help guide where the system is going.

Gary Lippe commented that the Commission also needs to know they can get Rick's or the Director's attention when they see areas of concern they want to discuss. He said the details are where the Commission can have a lot of influence, such as in rulemaking.

Rick said MHDS could work on coming up with a checklist of things for the Commission to discuss, laying out an analysis of the redesign bill and looking at the things to be accomplished and the things for which DHS needs to provide support.

#### PUBLIC COMMENT

No additional public comment was offered.

The meeting was adjourned at 2:00 p.m.

Minutes respectfully submitted by Connie B. Fanselow.